

## Health Insurance Definitions

- **Catastrophic Health Plan:** These are available to those 30 years of age or younger, or those who garner an exception. Until the deductible is met, an insured can expect to pay for 100 percent of healthcare costs except for three primary care visits per year. For the most part, premiums will be less, but co-payments, deductibles and co-insurance will be higher than minimum essential coverage plans.
- **Co-pay:** The cost the insured must pay for covered services after meeting the deductible. This is similar to a co-insurance payment, except a co-payment is a set dollar amount rather than a percentage.
- **Explanation of Benefits (EOB):** A letter the insurance company sends to an insured explaining the cost of the medical services they received, how much they were covered, any adjustments (if applicable) and how much the insured will have to pay.
- **Out-of-pocket:** The actual amount of money an insured must pay for medical care that isn't covered by insurance. Examples of out-of-pocket costs include co-pays, deductibles and non-covered medical care.
- **Premium:** The cost for health insurance. Most policies have month-to-month premiums.
- **Co-insurance:** This is the amount of money an insured must pay after meeting the plan's deductible. The amount of a co-insurance payment is a percentage of the overall medical cost.
- **Deductible:** The amount of money an insured must pay out of pocket before the insurance plan starts to pay for covered benefits. Higher deductible plans generally have lower monthly premiums.
- **In-network/out-of-network:** Health insurance companies negotiate with healthcare providers to set the prices and/or terms of the medical services offered. These healthcare providers are considered "in-network," while those who the health insurance companies have no relationship with are "out-of-network." Some insurance plans only cover visits to network providers; others require a much higher payment when visiting an out-of-network physician.
- **Minimum essential coverage (MEC):** Also known as qualifying health coverage, a health insurance policy that meets federal mandates with respect to coverage will provide MEC.
- **Subsidy:** Also known as a "premium tax credit," a subsidy is the amount of money the federal government pays to help certain individuals (such as those who meet specific income thresholds) pay for health insurance premiums.